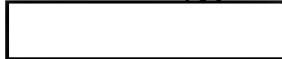


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27 July 1963

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Agency Functions and Organization

1. Pursuant to our conversation this morning, I want to record my strongly felt views as follow:

a) A primary function of the CIA is, as the statute creating it says, "to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the government...."

b) Performing this function under the supervision of the DCI has been the job of the DDI and the one I understood Mr. McCone to have in mind when he asked me to return from overseas to undertake it.

c) The reputation and effectiveness of the CIA are substantially affected by the skill with which this job is done, and especially by the extent to which the President and his national security level advisers believe it is being done, in an utterly impartial, intellectually objective way, free from operational or departmental bias of any kind.

d) In the past, the reputation and effectiveness of the CIA have been damaged by lack of clear understanding that this job was a primary task of the Agency and that this evaluative, or analytical, function is separate from our overseas clandestine operational functions, which strangely are more widely known than the Agency's evaluative responsibility under the statute.

e) The Agency has not yet systematically developed internal administrative procedures whereby it can be freed from the "Bay of Pigs" charge that its operational people evaluate their own activities and product, but we are making progress in this direction through cooperation between Dick Helms and myself, as encouraged by the DCI and the DDCI.

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f) The concept of a separate entity in CIA to conduct scientific and technical intelligence collection activities and develop techniques therefor is valid, but becomes equally suspect if the evaluation and analysis of scientific and technical data is made an additional function of such an entity, as often proposed with respect to the subordination of OSI to DDR.

g) Perhaps more important, the subtraction of the scientific and technical analysis function from the DDI area would sorely handicap the vital task of insuring a CIA capability to "keep DIA honest" by providing an objective, integrated attack (i.e., involving consideration of political, psychological, economic, geographic, military, scientific and technological factors) on the key problems of Soviet strategic weapons development and deployment.

2. The DCI's interpretation of Agency Regulations as relieving the DDI of responsibility for and control of the whole estimative element in "correlation and evaluation" on the grounds that it is a Chairman, USIB-Board of Estimates function has somewhat diluted and fuzzed the area of responsibility of the Directorate of Intelligence as now constituted. In my opinion, it would be unfortunate if further action is taken in the same direction by removing from the DDI the vital task of analyzing scientific and technical developments abroad and integrating what is happening in this field with our over-all analysis of related political, military and economic developments. It raises a serious question in my mind as to whether the concept of a Directorate of Intelligence should not be abandoned if this step is taken and the Agency, accordingly, reorganized on different lines. It is quite possible that you and the DCI have in mind a more effective concept than the existing one, but, if so, it should be systematically put in practice and appropriate adjustments made in assignment of responsibilities and resources. Piecemeal administrative dislocations without clear-cut explanations and adjustments of related duties are always damaging to an organization, and I believe this constitutes an additional reason why the transfer of OSI you are contemplating is unwise--above and beyond the arguments set forth in paragraph 1 above.

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3. I should be glad to discuss the problem further with you or Mr. McCone at any time. This is not a personal hobbyhorse of mine, but a view about the Agency which I have held for many years and have defended as being in the Agency's best interest long before and quite apart from my present assignment.

RAY S. CLINE
Deputy Director
(Intelligence)

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cc: DCI

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